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Is Casey right man to lead the CIA?

William J. Casey, the New York lawyer named by President Reagan to head the Central Intelligence Agency, seems to have some right ideas for injecting new spirit and effectiveness into the agency.

Casey believes that the CIA must be freed from its "institutional self-doubt," left in the wake of its blunders both at home and overseas, which made it the target of public indignation and congressional investigations. Such self-doubt is bound to impair the effectiveness of the agency.

Furthermore, Casey believes that the CIA should be freed of the restrictions on its clandestine operations overseas. Short of some extreme action, such as the alleged attempt in the 1960s to assassinate Fidel Castro, which could further embarrass this country and the CIA, we agree with Casey's thinking that, "there is a point at which rigid accountability, detailed accountability, can impair performance."

Yet, in reading Tad Szulc's article, "Can the CIA Win the Spy War," in Sunday's *Family Weekly*, carried in the Tribune, one is left with the impression that President Reagan may have appointed the wrong man to head the intelligence agency.

The author of 14 books on foreign policy says Admiral Stansfield Turner failed to provide the CIA with the inspiration it needed to overcome its controversial domestic and foreign operations. And, says Szulc, "Up until now Casey does not seem to have imposed himself as a leader either." He raises the question whether Casey possesses the professional experience in intelligence to give the CIA the leadership it needs, having served only with the CIA's forerunner, the Office of Strategic Services, for three years during World War II, but never in the CIA itself.

Indicating that much still needs to be done to iron out difficulties in U.S. intelligence operations, Szulc points to the recent controversy, in which the CIA reported there was insufficient evidence to support the belief that the Soviet Union is involved in international terrorism.

The military intelligence agencies disagreed, whereupon Casey ordered his men to rethink their assessment.

That order, says Szulc, seemed to contradict Casey's promise to the Senate that he would submit the intelligence community's views to the President "without subjective bias and in a manner that reflects strongly held differences within the intelligence community."

However, the belief among many CIA officers that Casey was being forced by the White House to "politicize" the intelligence product to meet the desires of policy-makers is disturbing. As the writer says, such practice could be "catastrophic for the national interest."

After being chastized for its efforts to carry on spying against American citizens, one would think that the CIA would have completely abandoned any further thought of domestic surveillance. But another storm of protest broke out recently when secret proposals apparently drafted by middle-level officials for resumption of domestic espionage were revealed. Though the previous domestic spying by the CIA was illegal and seemingly contrary to the guidelines Reagan will issue for intelligence operations, Casey was completely silent on the proposals.

One gets the impression from the Szulc article that a more effective leader for the CIA would have been Casey's deputy, Vice Admiral Bobby Ray Inman, who immediately announced that the CIA had no plans to resume domestic spying and that he would resign if overruled. Szulc says Inman did not want the job as deputy in the first place, possibly fearing an over-politicization of the intelligence community.

Szulc writes very highly about Inman, who spent the last four years as director of the National Security Agency, the top-secret institution in charge of technical intelligence and who, says Szulc, "enjoys unqualified respect among his peers in both the military and the Congress."

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NEW YORK DAILY NEWS
11 May 1981

INFORMED SOURCES

By RICHARD STERN

The leaks and lore of The Business Council

The Business Council, which finished its annual get-together at the super-elegant Homestead resort this weekend, may be less well-known than the highly-visible Business Roundtable, but the Council is every bit as powerful. It has, in fact, become the stuff of history, legend, and gossip in the U.S. and world business community. Therefore, we offer a bit of each. The then-super-secret Council was formed in the mid-1930s and attached to the Department of Commerce as an advisory group to help Franklin Delano Roosevelt lead the nation out of the

Depression. For most of its existence, it was shrouded in secrecy and its members—the captains of American industry who consulted at least twice a year with top government officials—liked it that way. Indeed, for its first 15 years, the press didn't even try to cover its meetings. But there has never been any doubt in the enormous power of the group. One story has it, for instance, that the late Senator Ralph Flanders (R-Vt.) first got an okay from the Business Council before he moved in the Senate against Communists. Joseph McCarthy. The Council, it seems, was willing to

authorize the Senate attack because it was livid at McCarthy for attacking one of its own, Robert T. Stevens of the J.P. Stevens & Co., who was at the time was Secretary of the Army.

A more recent story involves social rather than political power, with Christina Ford, Henry's ex, at the center. When Christina made her first appearance at the Homestead as the bride of young Henry, "The wives of the execs were standing around the lobby in little groups, waiting and trying to look inconspicuous," recalled Sterling Green, an old hand at the Associated

Press, who has been dogging the Council for years. And after she appeared that night with a giant, glittery gem around her neck, several corporate jets raced to fetch the jewels of some of the other corporate wives in time for the next night's formal affair. In the last several years, the press has been somewhat welcome. But still, the conference doors, behind which everyone from CIA head William Casey to Supreme Court Justice Warren Burger had their say this year were still tightly shut. And the year when former Vice President Walter Mondale spoke and requested the press be invited, the proud Washington press corps was led to the rear of the hall and seated only after dinner was over.

LONDON DAILY TELEGRAPH

11 May 1981

THE INTELLIGENCE WAR

U.S. REPORT BACKS SPACE ARMS

By ROBERT MOSS

THE argument is gaining force in Defence Department circles in Washington that the most effective counter to the Soviet military build-up and possibly also the fastest and least expensive — is the deployment of space weapons that could be used to destroy Russia's missiles soon after a nuclear launch.

Long considered a dream from science fiction, the viability of a space-based anti-missile defence system is confirmed by a recent estimate prepared by the Rockwell Corporation, which was heavily involved in the successful American Space Shuttle programme.

Scientists working for Rockwell now estimate that within four to five years, the United States could deploy a partial space defence system based on the technology developed in the Space Shuttle effort and the successful testing of high-energy laser weapons by the experts at the Lawrence Livermore Laboratories.

At the same time, the American Air Force is reliably reported to be studying a plan to construct small, highly manoeuvrable, one-man 'space cruisers' that could shoot down Soviet ICBMs with laser guns prior to the dispersal of the Russians' MIRV warheads.

Air Force estimates — supported by a report from the Stanford Research Institute — indicate that the first of these space cruisers could be ready for launch within two and a half years, at a cost of less than one per cent. of the budget for the Space Shuttle 'Columbia'. The Americans' existing network of early-warning satellites would be used to guide the space cruisers to their targets.

New strategy

There is a growing body of opinion among Washington defence experts that favours the idea that a future confrontation between the superpowers might well be won or lost in space.

Lt-Gen. Daniel Graham, the former head of the Defence Intelligence Agency maintains that space weapons offer the United States its only realistic chance of overtaking the Russians' strategic build-up before the 1990s. He points out, for example, that it will take 10 years to add 200 MX missiles to America's strategic inventory, as projected under current defence plans.

Many of those who share Gen. Graham's perspective take the argument one stage further, observing that in the historical course of warfare, power has shifted dramatically to those nations which were first to develop the means of combat in new elements as the growth of technology allowed man to shift his activities from land into the coastal seas, the oceans and finally the air.

The British Empire was based on seapower, just as American strategic superiority in the past was based, not merely on the nuclear arsenal but on ascendancy in the air.

The recent successful testing of Soviet killer satellites left little doubt in the minds of Western analysts about the seriousness of Moscow's efforts to establish ascendancy in space.

Russians ahead

A major source of worry is that, as a result of an intensive research and development programme initiated in Khrushchev's time, the Russians outstripped the Americans in the production of lasers and particle beam weapons suitable for deployment in space — although the United States has a clear technology.

A more ambitious American effort to establish military superiority in space would have a good chance of enlisting widespread public support, for several reasons. It would considerably reduce the threat from Russia's nuclear stockpile. It would open up the possibility that if the unthinkable came to pass and nuclear weapons were used in a future war, the theatre of conflict might be in space rather than on the Earth's surface.

There would be important side-benefits from an intensified American space programme; notably through the launching of solar power satellites that could be used to harness enormous quantities of energy for peaceful use.

One visionary plan which is now considered entirely practicable projects the deployment of huge arrays of solar cells — covering an area of up to three miles wide by eight miles long. But such constructions would be completely vulnerable to destruction by Russia's killer satellites unless they were protected by America's own space fleet.

Propaganda claims

If the proposals that are now being advanced by Gen. Graham and by several senior Pentagon officials are taken up by the new administration, the Russians are likely to press the propaganda claim that the United States is acting in defiance of standing treaties — notably the Soviet-American treaty of 1972 on anti-ballistic missile (ABM) systems and conventions prohibiting the deployment of offensive weapons in space.

Such charges are unlikely to be taken seriously in Washington. In the case of the ABM treaty (as in the case

of the Salt-1 and Salt-2 treaties) there is a vast body of evidence of systematic Soviet violations of standing agreements with the United States.

Top officials in the Arms Control and Disarmament Agency (ACDA) in Washington have compiled a lengthy classified study describing dozens of significant Soviet violations.

In the case of the ABM treaty, Soviet cheating is said to have included the falsification of the numbers of test launchers that were put out of commission in 1973, and unauthorised development and testing of a new air defence missile, the Sam-5 and a system known as ABM-X-3, which makes use of highly advanced phased-array radars.

In the case of standing conventions of the 'militarisation' of space, a powerful case can be made that the Russians have already contravened them through their repeated testings of killer satellites.

Jobs row in the CIA

THE hottest rumour just now at CIA headquarters at Langley, Virginia, is that the name of a New Hampshire businessman, Mr Max Hugel, has been proposed for the critically important job of Deputy Director for Operations (DDO).

The post has been vacant since its former incumbent, Mr John McMahon, was moved sideways to sort out the CIA's analytical side, which recently disgraced itself — in the eyes of the White House and the CIA director, Mr William Casey — by downplaying suggestions of Soviet involvement in international terrorism.

Haig's new look at the Russian bear

There is no mistaking the basic sentiments of Secretary of State Alexander Haig. He is persuaded of the threat of Soviet aggressiveness and determined to build up Western defenses to meet it. But there appears to be a new wrinkle in the US public posture. Mr. Haig for the first time is balancing his tough talk with allusions to the weaknesses of the Soviet Union. The balance was needed and is a good sign.

After all the stress on Soviet military might, Secretary Haig now suggests that Moscow shows evidence of "spiritual exhaustion" and faces "an extremely gloomy future." His theme, struck in an address at

Syracuse University, is also echoed by CIA director William Casey, who at the weekend commented that the Soviet economy is growing increasingly weaker and that Moscow's alliances are beginning to unravel. Together, this paints a markedly different image of the West's adversary than has been projected by the Reagan administration in recent months.

Mr. Haig is correct to add that this growing weakness does not necessarily make the Soviet Union more benign but may even make it more dangerous. That is why the Western nations must keep up their defenses. True, of course. But many Americans will be relieved that the Reagan administration is not clinging

to a one-sided, exaggerated view of the Soviet Union — which can be dangerous. Certainly a sound foreign policy must be based on an objective, dispassionate assessment of an adversary, not on ideological emotion.

It is possible that the administration is beginning to respond to Western public concern that US foreign policy has grown too negative in tone. Indeed it is not what the United States is "against" which will win hearts and minds around the world but what it is "for." A positive, constructive thrust is needed. Mr. Haig's departure in Syracuse from the usual scare speech may foreshadow a move in the right direction.



Soviet Economy Said Showing Weakness

Strain Frays Alliances, CIA Director Reports

By Jonathan Fuerbringer
 Washington Star Staff Writer

HOT SPRINGS, Va. — CIA director William Casey said yesterday that the Soviet economy is under increasing strain and that some Soviet alliances are "fraying."

Casey, speaking to the semi-annual meeting of the Business Council at The Homestead, a resort here, also said the United States is losing some of its competitiveness and share of the world market.

In a press conference after his appearance in a closed session, Casey said, "I believe the [Soviet] economy is showing increasing weakness. I think there is increasing internal discontent. I think that some of their proxies and some of their alliances are fraying at the fringes... like the Egyptian alliance did some years ago."

Casey said that he also told Business Council members, who include the top executives of most of the nation's largest corporations, that the world is an increasingly dangerous place because of the Soviet military buildup. Casey said he outlined "the political and economic instabilities in Africa, the Mideast and Latin America," and told the council of the Soviet Union's ability to exploit these instabilities "in remarkable ways."

Casey said that the Russian economy is having difficulty "in carrying the burden of inherent inefficiencies, the burden of heavy military buildup [and] the burden of support of their proxies in Cuba and Vietnam" that are costing billions of dollars a year.

In a separate appearance, Attorney General William French Smith told the council that the Justice Department is reviewing both the Federal Corrupt Practices Act, which covers corporate bribery, and anti-trust regulations to see that they do not unfairly inhibit American business activities abroad.

Smith said the Justice Department wants to be able, upon certification, to assure American businesses that their actions abroad will not be subject to antitrust actions.

"In many instances, the government's pursuit of too narrow a view of competition has actually impeded American firms' efforts to compete internationally," Smith said.

"We intend to bring antitrust enforcement back to the real world, and to focus our enforcement efforts upon those situations in which competition, higher quality and lower prices will surely result."

To this end, Smith said, the Justice Department will not be pursuing some of the more "esoteric economic theories," such as shared monopolies, in its antitrust enforcement. He also said the Justice

Department does not consider vertical mergers an automatic violation of antitrust laws.

Smith, at a press conference after his speech to the council, also said the Justice Department did not see any violation of antitrust law in the recent agreement by Japanese auto manufacturers to a voluntary quota on imports. "We are satisfied that the arrangement was entered into in accord with our laws," Smith said.

Also addressing the business council yesterday were Defense Secretary Caspar W. Weinberger and National Security Adviser Richard V. Allen.

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ON PAGE 2

LOS ANGELES TIMES

10 May 1981

News in Brief

Director William J. Casey of the CIA said he believes the Soviet Union's economy is getting weaker and that internal discontent is growing in that country. After a talk to the Business Council at Hot Springs, Va., Casey told reporters he thinks some Soviet alliances "are fraying at the fringes." He described the world situation as "increasingly dangerous" because of Soviet militarism.

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ON PAGE 4

WILMINGTON SUNDAY NEWS JOURNAL
FAMILY WEEKLY
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Can the CIA Win Spy War?

"We are in possibly the most menacing period since World War II who believes that the answer to the Soviet challenge lies in how intelligent is our intelligence?"

By Tad Szulc

—In Saudi Arabia, radical plotters are conspiring to overthrow the rulers of the oil kingdom in an ominous replay of the Iranian revolution.

—In strife-ridden Central America, Cuban operatives are secretly delivering weapons to leftist rebels.

—In Western European capitals, Soviet diplomats are subtly seeking to encourage the new wave of neutralism.

—At their proving grounds in Central Asia, the Russians are flight-testing a new intercontinental ballistic missile (ICBM) with 10 nuclear warheads, a super-rocket designed to hit targets in the United States with deadly accuracy.

These are just a few of the crucial problems and dangers facing the United States at a time of rising tension with the Soviet Union and general international upheaval. We are in possibly the most menacing period since World War II.

For America to be able to deal effectively with threats of this kind, we need precise, detailed and timely knowledge of what is happening around the globe on a daily basis. In other words, the greatest self-defense requirement for the United States, as seen by the Reagan Administration, is a first-rate capability for gathering and interpreting intelligence — as well as

for influencing events in foreign countries through secret means and resources.

But according to the most experienced experts in Washington, United States Intelligence — the Central Intelligence Agency and its military sister agencies — has been falling short of superb performance, to say the least, in recent years. This is believed to be true of both "human" and technical intelligence, from cloak-and-dagger espionage to the spy-in-the-sky (satellite) surveillance of Soviet nuclear advances.

The rebuilding, streamlining and modernizing of American intelligence operations looms, therefore, as one of the highest priorities for the Reagan Administration and the new leadership team it fielded earlier this year. The decision to revive and step up covert activities abroad — ranging from clandestine arms aid to anti-Soviet fighters in Afghanistan to efforts at gaining decisive political influence in the petroleum-rich Persian Gulf — is part of the current upgrading plan. Much more must be done, however, to restore primacy to the United States in the elusive world of intelligence.

The immediate responsibility for improving American intelligence lies with William J. Casey, the 68-year-old New York lawyer who was named by President Reagan as Director of Central Intelligence after managing his election campaign. Under the law, Casey is head of the entire intelligence community (comprising the CIA; the Pentagon-run National Security

Agency; the Defense Intelligence Agency; and the State Department's Bureau of Intelligence and Research) to the low morale pervading the Agency since the Congressional investigations of the mid-1970's and continuing through the tenure of Admiral Stansfield Turner as CIA Director during the Carter Administration.

How well Casey will succeed remains a serious question mark in Washington. Though he has been touted as an "old hand" at intelligence, there are many doubts among intelligence professionals concerning his leadership qualities, including his limited experience in this field. Casey served for three wartime years as a London-based senior officer in the Office of Strategic Services, the CIA's forerunner, but did not join the CIA afterward. His only other direct exposure to intelligence was his service in 1976 on the Murphy Commission, which surveyed the work of the intelligence community. Casey's exposure

Tad Szulc has written 14 books on foreign policy. His first novel, *Diplomatic Immunity*, will be published by Simon & Schuster later this month.

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ON PAGE 8

HUMAN EVENTS
9 May 1981

EK'S NEWS FROM

Inside Washington

Soviet Union Supports Terror Network

Vindicating Reagan Administration charges of a major Soviet role in international terrorism, a former CIA director, two international journalists, and an American scholar have testified that the Soviet Union and its surrogates have trained, equipped and funded a vast network of terrorist organizations.

Speaking before the new Senate Subcommittee on Security and Terrorism, former CIA Director William Colby said the Soviets "have directly trained and supplied elements around the world engaged in what they euphemistically call wars of national liberation. They have employed their proxies and surrogates of Cubans, East Germans, Czechs and others to extend this direct effort aimed not only at the 'imperialism' of America and its allies but at a variety of less despotic states than their own, from Mexico to Uruguay to Colombia to North Yemen to Morocco to Puerto Rico. And they have provided training and logistics to a number of groups who use these in their own terrorist attacks.

"They have supported a heterogeneous group of terror-mongers from Libya's Qaddafi to Palestinian kidnappers of Arab oil leaders to Cuban trainers of Shaba invaders to Bulgarian assassins."

Journalist Claire Sterling, who considers herself a "moderate leftist" and whose book, *The Terror Network*, exposes the Russian role in international terrorism, told the subcommittee that a major Soviet terror assault is directed against the countries of the "strategic crescent"—Turkey, Italy, Spain, Northern Ireland and West Germany.

Michael Ledeen, a historian and editor of *The Washington Quarterly*, which is associated with the Georgetown Institute for Strategic Studies, testified that the facts are not open to question.

Said Ledeen: "The Russians train PLO terrorists in the Soviet Union, supervise the training of terrorists from all over the world in Czechoslovakia (or approved for release 2006/02/07 : CIA-RDP 91-00901R000400190013-3) according to the testimony of a leading defector, Gen. Jan Sejna), and work hand in glove with

"The British press reports laconically that the killer of Lord Mountbatten got Soviet training in Libya; PLO leaders openly brag of their training in the Soviet Union; the first generation of Red Brigade leaders beat a regular path between Italy and Prague, long the headquarters of Soviet support for, and influence and control over, clandestine Communist operations in Italy."

Arnaud de Borchgrave, veteran foreign correspondent and co-author of *The Spike*, which is based on the testimony of defectors from Soviet-bloc intelligence, testified that "According to West European intelligence services, the basic decision to support international terrorist groups was taken at the Tri-Continental Conference in Havana in 1966." He said, "The objective of the strategy agreed upon at Havana was to undermine Western interests in the Third World and to destabilize Western societies while keeping Western governments and opinion-makers anesthetized with a policy of 'peaceful coexistence,' known in the West as detente." He said the implementation of the plan began in 1968.

In that same year, de Borchgrave testified, KGB chief Gen. Yuri Andropov elevated the disinformation department of the KGB to the status of an independent Directorate, known as "Directorate A," and with Boris Ponomarev, head of the International Department of the Soviet Communist party central committee, drew up a long-range plan of "active measures" to be taken against the West.

De Borchgrave said, "The methods for this new 'active measures' program approved by the Soviet Politburo in 1968 were to include: increased recruitment of agents of influence in Western countries; character assassination campaigns to discredit Western leaders; covertly sponsored strikes and demonstrations; the spreading of false information to drive a wedge between the U.S. and Europe, and between the industrial West and the Third World; the infiltration and manipulation of

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ON PAGE A9

THE WASHINGTON POST
9 May 1981

Sen. Denton and ACLU Exposing Intelligence

By George Lardner Jr.
Washington Post Staff Writer

Sen. Jeremiah Denton (R-Ala.) put a bill to outlaw the disclosure of U.S. intelligence operatives on a fast track yesterday and questioned the credentials of the American Civil Liberties Union in opposing the measure.

Opening a one-day hearing on the bill before his Senate subcommittee on security and terrorism, Denton deplored the lack of a clear-cut criminal law to protect CIA personnel abroad and denounced "the insensitivity and moral degeneracy" of those who publish such rosters with the avowed aim of undermining the agency.

"The disclosure of the identity of a covert agent is an immoral act which cannot be tolerated," Denton said.

Jerry Berman and Morton H. Halperin, witnesses from the ACLU and its Center for National Security Studies, were the only ones to

testify against the bill during the four-hour session. They said they did not condone "the practice of naming names," but maintained that the real problem is the government's "failure to provide adequate cover for our intelligence officers abroad."

Even if the bill is passed, foreign groups will still be able to identify the CIA officers in U.S. missions abroad "with a high degree of accuracy," Halperin argued. He maintained that the legislation is not only unconstitutional but is also "almost entirely symbolic."

In the questioning that followed, Denton said he didn't hear "any tittering" in the hearing room when the two witnesses described the ACLU as a "nonpartisan organization" but "I think I would out in the hinterlands."

Berman defended the description, saying the ACLU takes on controversial cases crossing the entire political spectrum in its work of "defending the Bill of Rights."

Denton then brought up July, 1978, testi-

mony by Berman on a proposed charter for the CIA, in which he recommended that "destine collection" of intelligence abroad by human means should be prohibited "absent any congressional declaration of war."

Berman said this was still the ACLU's position, adopted in light of a repeated pattern of "illegal activities arising from our covert capability" that came to light in the mid-1970s. But he also protested that this was not the reason for the ACLU's opposition to the bill that would make it a crime to publish agents' names, even if the information is gleaned from public documents.

Denton said he still found it "curious" that "men as intellectual" as Berman and Halperin would not think it in "our interest of self-protection" to engage in espionage and covert action when all other major powers do so.

He also questioned Halperin about a 1975 statement before the Senate Intelligence Committee in which he maintained that the United

States should not conduct covert operations or covert intelligence collection by human means.

Halperin said he had had operations "abroad" in mind. In any case, he told Denton, "it is not still my current opinion."

Following the hearing, Berman told reporters that he felt Denton "showed more interest in the intentions and motives of the ACLU than in the substance of our testimony. We hope we're not entering into a pattern of going into motives and intentions."

In other developments at the hearing:

- CIA Director William J. Casey reiterated his strong support for quick passage of the bill and said he could confirm after just a few months on the job that unauthorized disclosures have caused "untold damage." Casey also said he has talked with Secretary of State Alexander M. Haig Jr. about better cover for CIA officers abroad and is "getting a high degree of cooperation." He indicated that open publication of the State Department's Bio-

contained about who might be working for the CIA.

- Sen. John H. Chafee (R-R.I.), chief sponsor of the identities protection bill, defended its lack of a "malicious intent" clause and said he was confident it would be held constitutional.

- In an opening statement, Denton voiced chagrin that "some of the journalists" who covered his subcommittee's first hearing on terrorism last month "tended to focus on an apparent lack of evidence of Soviet masterminding of international terrorism." Denton said that this was "a point of view to which no one connected with this hearing has ever subscribed." He also complained that some accounts — he did not say which ones — inaccurately described him as having been "surprised or disappointed" by the lack of such evidence.

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ON PAGE A-10

NEW YORK TIMES
9 MAY 1981

Shift by U.S. Intelligence Is Urged

By JUDITH MILLER

Special to The New York Times

WASHINGTON, May 7—In an effort to provide competing views on intelligence matters, a Senate committee has recommended that the Pentagon's Defense Intelligence Agency be upgraded to provide analysis as effectively as the Central Intelligence Agency.

"If the benefits of 'competitive analysis,' a concept which both the Administration and the committee strongly support, are to be realized, it is imperative that the D.I.A. have analytical capabilities comparable to its sister agencies," a report by the Senate Select Committee on Intelligence states.

The Senate Committee's 74-page report is unusual in that, for the first time, it does not contain a blanket endorsement of the C.I.A.'s performance.

In fact, the report contains several specific criticisms of the intelligence community's operations.

"The U.S. intelligence system is not able to deal with the multiple crises as we have experienced recently, without diverting resources from other high priority missions," the report concludes. "Moreover, in many areas of the Third World, coverage by the U.S. intelligence system is either marginal or nonexistent."

The report notes that certain areas, such as the quality of analysis and foreign counterintelligence, require "spe-

cial attention and improvement."

Finally, the report states that the Senate committee has changed the way that it reviews and authorizes funds for the intelligence agencies, changes that it intends to "continue and expand."

The recommendation on the Defense Intelligence Agency is contained in a report to the Senate accompanying the secret spending authorizations for intelligence agencies.

The authorization would enable the Pentagon agency to carry out a wide range of personnel measures designed to "attract and retain high quality personnel in competition with other intelligence agencies."

The recommendation has stirred sharp debate within the Senate committee and the intelligence community, and has been strongly resisted by C.I.A. officials, according to Capitol Hill aides familiar with the debate.

A transition report prepared for the Reagan Administration in the transition endorsed the principle of "competing" centers of intelligence, but did not recommend specific steps to achieve this goal.

William J. Casey, Director of Central Intelligence, also endorsed the concept of encouraging intelligence agencies to make independent assessments, but declined to elaborate on specific plans.

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ON PAGE A-8

NEW YORK TIMES
9 MAY 1981

C.I.A. Seeks Law for Surprise Searches of Newsrooms

By CHARLES MOHR

Special to The New York Times

WASHINGTON, May 8 — William J. Casey, the Director of Central Intelligence, has asked Congress to pass legislation that would permit the Federal Bureau of Investigation to conduct surprise searches of newspaper and broadcasting newsrooms in cases involving the publication of the names of covert agents of the Central Intelligence Agency.

The measure would amend legislation enacted into law last year that requires law-enforcement agencies to obtain subpoenas for notes, film, tapes or other documentary materials used by those engaged in publishing or broadcasting.

Unlike the procedure for search warrants, the subpoena procedure eliminates the element of surprise, narrows the focus of the search and permits news organizations to contest the request in court.

However, the search law contains an exception that permits surprise searches in espionage cases, and, in a recent letter to the chairman of the House Intelligence Committee, Mr. Casey suggested that the exception be extended to cover cases that arise under a bill to make it a crime to publish the names of intelligence agents, even if the information was derived from analysis of publicly available information.

The legislation, sometimes called agent identities legislation, is being considered in both houses of Congress in different forms. Journalists and civil libertarians have protested that it might be unconstitutional and would discourage

the legitimate reporting of illegal or dubious practices by intelligence agencies.

Although Mr. Casey's letter was addressed to the House committee chairman, Representative Edward P. Boland, Democrat of Massachusetts, several Senators and private organizations have copies of it.

Spokesmen for the American Civil Liberties Union expressed a belief that Mr. Casey's suggestion would add to what they saw as the chilling effect of the agent identities bill. In the view of these spokesmen, Morton H. Halperin and Jerry J. Berman, it would permit the F.B.I. to search newsrooms for such items as private memorandums from reporters to editors.

This might be true, the A.C.L.U. spokesmen said, because the Government, under the pending agent identities bill, would be seeking to prove that the publication of agents' names was done with "reason to believe" or with "intent" to cause an impairment of United States intelligence activities.

Under the pending bills, covert agents include not only salaried, professional American officers of intelligence agencies but also "sources of operational assistance." This, critics contend, is broad enough to include foreign political figures and some domestic businessmen.

Senate Panel Has Hearings

Agent identities legislation was the subject of hearings today in the Senate Judiciary Committee's Subcommittee on Security and Terrorism. When the witnesses called the A.C.L.U. nonpartisan, the subcommittee chairman, Jeremiah Denton, Republican of Alabama, said he "couldn't hear any titter" in the hearing room but would have heard laughter "out in the hinterland" of the nation.

Senator Denton and Senator Joseph R. Biden Jr. of Delaware, the ranking Democrat on the subcommittee, nearly clashed over Senator Denton's answering questions that Senator Biden was directing to witnesses. At one point Senator Biden suggested that time could be saved if he asked his questions of Senator Denton.

In an opening statement, Senator Denton said he was "disappointed, to say the least," with some news coverage of his subcommittee's hearings April 24 on terrorism. He said the articles "tended to focus on an apparent lack of evidence of Soviet masterminding of international terrorism, a point of view to which no one connected with this hearing has ever subscribed."

He said that to suggest that he was disappointed by a lack of evidence of "Soviet masterminding of this pernicious activity is to misrepresent my views."